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JAMES BONINI
CLERK

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

10 DEC 21 PM 2:50

2:10-cr-336

UNITED STATES OF AMERICA

Case No.

vs.

JUDGE

DANNETTE M. HAWTHORNE (1)
CHARLENE BREEDLOVE -JONES(2)
DENESHIA M. WAKEFIELD(3)

18 U.S.C. §2
18 U.S.C §1028A
18 U.S.C §1035
21 U.S.C §841(a)(1) &(b)(1)(C)
21 U.S.C §843(3)
21 U.S.C §846

INDICTMENT

THE GRAND JURY CHARGES:

INTRODUCTION

At all relevant times to this Indictment, and unless otherwise alleged:

1. Beginning on or about January 12, 2010, and continuing up to and including the date of the Indictment, Defendant DANNETTE M. HAWTHORNE (hereafter "defendant HAWTHORNE") owned and operated a business known as "Trinity Medical Center, LLC" (hereafter "Trinity"). The business operated at 1687-1689 Karl Court, Columbus, Ohio, which is located in the Southern District of Ohio.
2. Beginning on or about April 23, 2010, and continuing up to and including the date of the Indictment, Defendant HAWTHORNE owned and operated, in addition to Trinity, a business known as "Perspective Medical Solutions, Inc" (hereafter "Perspective"). The business operated at 1685 Karl Court, Columbus, Ohio, which is in the same building as Trinity.
3. Defendant HAWTHORNE was the principle owner who was responsible for the operations of the clinics.

4. Defendant HAWTHORNE was a Medicaid recipient who resided at 5326 Paladim Place, Columbus Ohio, and also had temporarily resided at the Best Western Inn located at 6323 Prentiss School Road, Canal Winchester, Ohio, using the alias "Yolanda Carter".

5. Defendant CHARLENE BREEDLOVE-JONES (hereafter "defendant BREEDLOVE-JONES") was also a Medicaid recipient who was hired by Defendant HAWTHORNE as an office manager for Trinity and Perspective in April, 2010. As office manager, Defendant BREEDLOVE -JONES controlled the day to day operations of Trinity and Perspective.

6. Defendant DENESHIA M. WAKEFIELD (hereafter "defendant WAKEFIELD"), is a Medicaid recipient who was hired by Defendant HAWTHORNE for the position of medical assistant at Trinity and Perspective.

7. Throughout its existence, Trinity and Perspective purported to operate as "pain management" clinics to assist patients with chronic pain. However, through defendants HAWTHORNE, BREEDLOVE-JONES AND WAKEFIELD, the clinics operated as a "pill mill" by selling prescriptions for controlled substances (primarily oxycodone, a schedule II controlled substance) without a legitimate medical need for the prescriptions. Many of the prescriptions contained the forged signatures of physicians who had temporarily worked at Trinity and Perspective, but whom had terminated their employment with the clinics prior to the forgeries. The forged prescriptions were sold by Defendants HAWTHORNE, BREEDLOVE-JONES and WAKEFIELD to "patients" for cash.

General Terminology

8. The Controlled Substances Act ("CSA") governs the manufacture, distribution and dispensation of controlled substances in the United States. The CSA and the Code of Federal

Regulations ("CFR") contain definitions relevant to this Indictment. These definitions are as follows:

9. The term "controlled substance" means a drug or other substance, or immediate precursor, included in Schedule I, II, III, IV, and V as designated by Title 21 of the United States Code, Section 802(c)(6), and the CFR.

10. The Term "Schedule II" means the drug or other substance has a high potential for abuse, the drug has a currently accepted medical use with severe restrictions, and abuse of the drug or other substances may lead to severe psychological or physical dependence.

11. The term "Schedule III" means the drug or other substance has a high potential for abuse less than the drugs listed in Schedule II, the drug has a currently accepted medical use with severe restrictions, and abuse of the drug or other substances may lead to severe psychological or physical dependence.

12. The term "Schedule IV" means the drug or other substance has a low potential for abuse relative to the drugs or other substances in Schedule III, the drug or other substance has a currently accepted medical use in treatment, and abuse of the drug or other substances may lead to limited physical dependence or psychological dependence relative to the drugs or substances in Schedule III.

13. The term "dispense" means to deliver a controlled substance to an ultimate user or research subject by, or pursuant to the lawful order of, a practitioner, including the prescribing and administering of a controlled substance.

14. The term "distribute" means to deliver (other than by means of administering or dispensing) a controlled substance.

15. The term “practitioner” means a medical doctor, physician, or other individual licensed, registered, or otherwise permitted, by the United States or the jurisdiction in which she or he practices, to dispense a controlled substance in the course of professional practice.

16. The Drug Enforcement Administration (“DEA”) issues registration numbers to qualifying doctors, who become authorized to dispense Schedule II, III, IV, and V controlled substances. To issue a prescription for a controlled substance, a doctor must have a DEA registration number for each location in which they are dispensing medicine.

17. A prescription for a controlled substance violates the CSA ad CFR if it is issued beyond the bounds of medical practice or is not for a legitimate medical purpose in the usual course of professional practice.

18. The term “dosage” is the amount, frequency, and number of doses of medication authorized by a practitioner, who has been issued a DEA registration number.

19. The term “locum tenens” refers to companies that provide placement services for temporary physician assignments or the temporary physicians themselves.

Charged Controlled Substances

20. OxyContin, which is also known as “oxy”, “hillbilly heroin”, and “Coffin”, is a Schedule II controlled Substance whose active ingredient is oxycodone. Demand for Oxycodone has grown to epidemic proportions in parts of Ohio, Kentucky and other parts of the United States where drug dealers can sell an Oxycodone pills for a substantial amount of money.

21. OxyContin, which is a brand name pill designed and manufactured by Purdue Pharma is an analgesic-narcotic that contains oxycodone. Introduced to the market in or about 1995, OxyContin is a pill that gradually releases steady amounts of narcotics for 12 hours. OxyContin pill have contained dosages of 20 mg, 40 mg, 80 mg and 160mg.

22. OxyContin and other Schedule II drugs have a high potential for abuse and can be crushed and snorted or dissolved and injected to get an immediate high. The abuse can lead to addiction, overdose and sometimes death.

COUNT 1
CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES

The Grand Jury Further charges that:

23. Paragraphs 1 through 22 of the Indictment are re-alleged and incorporated by reference as though fully set forth herein.

24. Beginning on or about February 1, 2010, and continuing up to December 17, 2010, within the Southern District of Ohio and elsewhere, the defendants DANNETTE M. HAWTHORNE, CHARLENE BREEDLOVE-JONES and DENESHIA M. WAKEFIELD, along with others known and unknown to the Grand Jury, did knowingly, intentionally, and unlawfully combine, conspire, confederate, and agree with each other and others known and unknown to the Grand Jury to knowingly, intentionally, and unlawfully distribute or dispense, or caused to be distributed or dispensed (whether through prescriptions or otherwise) mixtures of substances containing a detectable amount of oxycodone, a Schedule II controlled substance, other than for a legitimate medical purpose or within the scope of a legitimate medical practice, in violation of 21 U.S.C. §§ 841(a)(1) and (b)(1)(C).

In violation of 21 U.S.C. §846.

Nature and Purpose of Conspiracy

The purpose of the conspiracy included, but was not limited to the following:

25. To make as much money as possible by causing the illegal distribution and dispensing of controlled substances, primarily oxycodone, to patients, other drug users and co-conspirators.

Ways, Manners and Means of the Conspiracy

26. During the course of the conspiracy, the clinics were usually open during the weekdays and would see between ten (10) and thirty (30) "patients" a day. Patients were initially seen by physicians hired from "Locum Tenens . com" and "Locum Tenens USA". Locum Tenens was paid between, \$1,200 and \$1,600 a day for their physicians.

27. It was further part of the conspiracy for the clinics to charge patients, most of whom were Medicaid recipients, between \$150 to \$300 for each visit. The clinics refused to accept insurance and only accepted cash payments. Because the clinics were "pill mills", most of the patients were "drug seekers" who would go to Trinity and Perspective for the sole purpose of obtaining large amounts of pain medications. These patients travelled long distances including from other regions of Ohio, West Virginia and Kentucky,

28. The clinics possessed virtually no medical equipment except for blood pressure cuffs, scales and exam tables.

29. It was further part of the conspiracy to issue to virtually all patients a combination of Oxycodone in 15 mg, 30 mg and 80 mg dosages.

30. It was part of the conspiracy to direct the patients to specific pharmacies and/or to frequently change pharmacies in order to avoid the suspicion of pharmacist who became concerned about the large dosages and quantities of the pain medications being prescribed to patients by Trinity and Perspective.

31. It was part of the conspiracy for defendants to forge physician signatures on hundreds of prescriptions for oxycondone and other controlled substances and distribute them to patients.

32. It was further part of the conspiracy for defendants to forge prescriptions for oxycondone and other controlled substances for themselves and then obtain the drugs from pharmacies. The pharmacies subsequently submitted the claims for payment to the Medicaid Program.

33. During the course and in furtherance of the conspiracy, Defendants HAWTHORNE, BREEDLOVE-JONES and WAKEFIELD, obtained substantial income and resources from their illegal distribution of controlled substances.

Overt Acts In Furtherance of the Conspiracy

34. In furtherance of the conspiracy and to effect the objects thereof, Defendants DANNETTE M. HAWTHORNE, CHARLENE BREEDLOVE-JONES and DENESHIA WAKEFIELD, and others known and unknown to the Grand Jury committed overt acts in the Southern District of Ohio and elsewhere, including, but not limited to the following:

35. On June 30, 2010, Defendant HAWTHORNE, Defendant BREEDLOVE-JONES and another individual, directed a Trinity physician to sign several prescriptions for oxycodone from his hotel room, knowing that patients had not been seen by the physician that day, and knowing that the physician's DEA license was invalid.

36. During the course and in furtherance of the conspiracy, Defendants BREEDLOVE -JONES and WAKEFIELD, created and used prescriptions without the authority or permission of physicians whose names they forged on the prescription, in order to illegally obtain oxycodone.

All in violation of 21 U.S.C. §§841(a)(1), 841 (b)(1)(C) and 846.

COUNTS 2-7
HEALTH CARE FALSE STATEMENTS

37. Paragraphs 1 through 22 are re-alleged and incorporated by reference as though fully set forth herein.

The Victim Health Care Program

38. Defendants BREEDLOVE-JONES and WAKEFIELD caused to be submitted, bills to the Ohio Medicaid Program(hereafter “Medicaid”) which the federal government and the State of Ohio jointly finance. The Ohio Department of Job and Family Services , Office of Medicaid (ODJFS) administers the program which qualifies as a Health Care Benefit Program within the meaning of Title 18 United States Code Section 24(b). The Medicaid Program provides medical assistance to indigent individuals and is more specifically described in “Attachment A” which is incorporated into this Indictment and serves as the Fed. R. Crim. P. 12.4 Disclosure Statement describing the victim.

39. Medicaid used an electronic billing process to establish the validity of health care claims. Medicaid providers who bill the program enter into a provider agreement, or contract, with ODJFS. This agreement specifies that ODJFS will only pay for covered benefits, services and items, including prescription drugs that are medically necessary.

40. Providers who had a Provider Agreement with Medicaid are authorized and permitted to bill only for the drugs that had been lawfully prescribed by physician or other qualified medical professional.

Submission of Medical Claims

41. Health care claim forms, both paper and electronic, contain certain patient information and drug dispensing codes. Health care programs have established drug formularies that establish which prescription medications will be covered by the health care program. The formulary also provides for payment schedules based on the medication dispensed by the pharmacy. Prescription medications that contain narcotics are listed as Controlled Substances under Title 21 U.S.C. §812. Different narcotics will fall under different schedules. Narcotics containing oxycodone are Schedule II Controlled Substances pursuant to 21 U.S.C. §812. These Schedules are well known to the medical community, pharmacy providers, and public and private health care insurance companies. All prescription medications must be issued pursuant to a valid prescription issued by a licensed medical doctor in the course of his or her professional practice with a valid Drug Enforcement Agency (“DEA”) numerical designation. Individuals covered under the Victim Health Care Programs are designated by individual and unique recipient/beneficiary numbers which are used by the Victim Health Care Program to identify and process claims for those individuals.

42. On or about the dates listed below, in the Southern District of Ohio, Defendant CHARLENE BREEDLOVE-JONES knowingly, willfully and in connection with the payment for health care benefits, services, or items involving a health care benefit program, that is Medicaid, made or caused to be made and used a materially false writing or document, knowing the writing or document contained a materially false, fictitious or fraudulent statement, to wit: defendant caused bills to be submitted to Medicaid for the prescription drug oxycodone as listed below, knowing such drugs were being distributed pursuant to a fraudulent prescription which

had not been signed or otherwise authorized by the physician whose name appeared on the prescription.

Count	Drug Name	Strength	Quantity	Date Filled	Date Paid	Dollar Amount billed	Dollar Amount Paid
2	oxycodone	15 mg	120	5/14/2010	6/3/2010	\$48.36	\$48.36
3	oxycodone	15 mg	120	6/11/2010	6/30/2010	\$48.36	\$48.36
4	oxycodone	30 mg	120	7/8/2010	7/28/2010	\$374.68	\$67.08
5	oxycodone	15 mg	120	7/8/2010	7/28/2010	\$198.22	\$55.08
6	oxycodone	30 mg	120	8/18/2010	9/9/10	\$67.08	\$67.08
7	oxycodone	15 mg	120	8/18/2010	9/9/2010	\$55.08	\$55.08

All in violation of 18 U.S.C. §1035 and §2.

COUNTS 8-11
HEALTH CARE FALSE STATEMENTS

43. Paragraphs 1 through 22 and 38 through 41 are re-alleged and incorporated by reference as though fully set forth herein.

44. On or about the dates listed below, in the Southern District of Ohio and elsewhere, Defendant DENESHIA M. WAKEFIELD knowingly, willfully and in connection with the payment for health care benefits, services, or items involving a health care benefit program, that is Medicaid, made or caused to be made and used a materially false writing or document, knowing the writing or document contained a materially false, fictitious or fraudulent statement, to wit: defendant caused bills to be submitted to Medicaid for the prescription drug oxycodone as listed below, knowing such drugs were being distributed pursuant to a fraudulent

prescription which had not been signed or otherwise authorized by the physician whose name appeared on the prescription.

Count	Drug Name	Strength	Quantity	Date Filled	Date Paid	Dollar Amount billed	Dollar Amount Paid
8	OxyContin	80mg	120	6/4/2010	6/23/2010	\$1,624.99	\$1,100.50
9	oxycodone	30mg	120	6/4/2010	6/23/2010	\$241.99	\$67.08
10	OxyContin	80mg	90	7/8/2010	7/28/2010	\$1,389.99	\$939.69
11	oxycodone	30mg	120	7/8/2010	7/28/2010	\$243.99	\$67.08

All in violation of 18 U.S.C. §1035 and §2.

COUNT 12
OBTAINING CONTROLLED SUBSTANCES BY FRAUD

45. Paragraphs 1 through 22 of this Indictment are re-alleged and incorporated by reference as part of this count as if fully set forth herein.

46. On or about June 11, 2010, in the Southern District of Ohio, Defendant CHARLENE BREEDLOVE-JONES, did knowingly and intentionally acquire or obtain oxycodone, a Schedule II controlled substance by misrepresentation, fraud, forgery, deception or subterfuge, to wit: Defendant BREEDLOVE-JONES knowingly used a forged prescription with the identity of Dr. James Avila to obtain 180 oxycodone tablets.

In violation of 21 U.S.C §843(a)(3) and 18 U.S.C. §2.

COUNT 13
OBTAINING CONTROLLED SUBSTANCES BY FRAUD

47. Paragraphs 1 through 22 and 38 through 41 of this Indictment are re-alleged and incorporated by reference as part of this count as if fully set forth herein.

48. On or about August 18, 2010, in the Southern District of Ohio, Defendant CHARLENE BREEDLOVE-JONES, did knowingly and intentionally acquire or obtain oxycodone, a Schedule II controlled substance by misrepresentation, fraud, forgery, deception or subterfuge, to wit: Defendant BREEDLOVE-JONES knowingly used a forged prescription with the identity of Dr. Shaila Kechter to obtain 120 oxycodone tablets.

In violation of 21 U.S.C §843(a)(3) and 18 U.S.C. §2.

COUNT 14
OBTAINING CONTROLLED SUBSTANCES BY FRAUD

49. Paragraphs 1 through 22 of this Indictment are re-alleged and incorporated by reference as part of this count as if fully set forth herein.

50. On or about June 4, 2010, in the Southern District of Ohio and elsewhere, Defendant DENESHIA M. WAKEFIELD, did knowingly and intentionally acquire or obtain OxyContin, a Schedule II controlled substance by misrepresentation, fraud, forgery, deception or subterfuge, to wit: Defendant WAKEFIELD knowingly used a forged prescription with the identity of Dr. James Avila to obtain 120 OxyContin tablets.

In violation of 21 U.S.C §843(a)(3) and 18 U.S.C. §2.

COUNT 15
OBTAINING CONTROLLED SUBSTANCES BY FRAUD

51. Paragraphs 1 through 22 of this Indictment are re-alleged and incorporated by reference as part of this count as if fully set forth herein.

52. On or about July 8, 2010, in the Southern District of Ohio and elsewhere, Defendant WAKEFIELD, did knowingly and intentionally acquire or obtain OxyContin, a Schedule II controlled substance by misrepresentation, fraud, forgery, deception or subterfuge, to wit: Defendant WAKEFIELD knowingly used a forged prescription with the identity of Dr. James Avila to obtain 90 OxyContin tablets

In violation of 21 U.S.C §843(a)(3) and 18 U.S.C. §2.

COUNT 16
AGGRAVATED IDENTITY THEFT

53. Paragraphs 1 through 22 of this Indictment are incorporated by reference as part of this count as if fully set forth herein.

54. On or about June 11, 2010, in the Southern District of Ohio, Defendant CHARLENE BREEDLOVE-JONES, during and relation to a felony violation, that is making false statements relating to health care matters, in violation of 18 U.S.C. §1035, did knowingly possess or use, without lawful authority, a means of identification of another person, to wit: defendant BREEDLOVE-JONES used the name, address and forged signature of Dr. James Avila on a prescription form in order to obtain 180 oxycodone tablets.

In violation of 18 U.S.C. 1028A(a)(1) and §2.

COUNT 17
AGGRAVATED IDENTITY THEFT

53. Paragraphs 1 through 22 of this Indictment are incorporated by reference as part of this count as if fully set forth herein.

54. On or about June 4, 2010, in the Southern District of Ohio and elsewhere, Defendant DENESHIA M. WAKEFIELD, during and relation to a felony violation, that is making false statements relating to health care matters, in violation of 18 U.S.C. §1035, did knowingly possess or use, without lawful authority, a means of identification of another person, to wit: defendant WAKEFIELD used the name, address and forged signature of Dr. James Avila on a prescription form in order to obtain 120 OxyContin tablets.

In violation of 18 U.S.C. 1028A(a)(1) and §2.

COUNT 18
DISTRIBUTION OF A CONTROLLED SUBSTANCE

55. Paragraphs 1 through 22 of this Indictment are incorporated by reference as part of this count as if fully set forth herein.

56. On or about October 4, 2010 in the Southern District of Ohio, the defendant CHARLENE BREEDLOVE-JONES, did knowingly, intentionally, and unlawfully attempt to distribute or caused to be distributed 120 tablets of OxyCodone, a schedule II controlled substance, in violation of 21 U.S.C. §§841(a)(1) and 841(b)(1)(C).

In violation of 21 U.S.C. §846.

COUNT 19
DISTRIBUTION OF A CONTROLLED SUBSTANCE

57. Paragraphs 1 through 22 of this Indictment are incorporated by reference as part of this count as if fully set forth herein.

58. On or about December 3, 2010 in the Southern District of Ohio, the defendant CHARLENE BREEDLOVE-JONES, did knowingly, intentionally, and unlawfully attempt to distribute or caused to be distributed 120 tablets of OxyCodone, a schedule II controlled substance, in violation of 21 U.S.C. §§841(a)(1) and 841(b)(1)(C).

In violation of 21 U.S.C. §846.

A TRUE BILL

s/Foreperson sf
FOREPERSON

CARTER M. STEWART
UNITED STATES ATTORNEY

Brenda Shoemaker by BJS
BRENDA SHOEMAKER
Financial Crimes Chief

I CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL FILED IN MY OFFICE ON <u>12/21/2010</u> JAMES BONINI, CLERK BY: <u>Yvonne Vignola</u> Deputy Clerk DATE: <u>12/21/2010</u>	
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Attachment A

VICTIM HEALTH CARE PROGRAM

Fed.R.Crim.P. 12.4 Disclosure Statement

The Medicaid Program

Medicaid, established by Congress in 1965, provides medical insurance coverage for individuals whose incomes are too low to meet the costs of necessary medical services. Approximately 60% of the funding for Ohio's Medicaid program comes from the federal government. The Ohio Department of Job & Family Services Office of Medicaid (ODJFS), Columbus, Ohio, ran the Medicaid program. ODJFS received, reviewed, and obtained formal authority from the Ohio State Auditor to make payment of Medicaid claims submitted to it by providers of health care. The Ohio State Treasurer's Office then issued a check made payable to the provider. ODJFS mailed the check to the provider from 2098 Integrity Drive North, Columbus, Ohio. Each qualified Medicaid patient received a Recipient Identification Number to identify the patient as an authorized recipient of Medicaid benefits. Medicaid only paid for treatment that was actually performed and medically necessary for the patient's health. Medicaid was a "health care benefit program" as defined by 18 U.S.C. § 24. Home Health Agencies who provided services to Medicaid patients used the Medicaid patient's number to make claims for payments from Medicaid through ODJFS. The defendants caused bills to be submitted to Medicaid, via ODJFS and its contractors, and was an enrolled provider of Medicaid services. Defendants caused claims for payment to be submitted to ODJFS, and received payments from Medicaid, via ODJFS.

Contact Information for purposes of restitution is as follows: State of Ohio, Treasurer, Attention: Section Chief, Surveillance and Utilization Review Section, Ohio Department of Job and Family Services, 30 East Broad Street, 32nd Floor, Columbus, Ohio 43215-4314.